

**MINUTES OF THE
MUNICIPAL LIGHT BOARD
JULY 23, 2012**

PURSUANT TO notice given the Wellesley Municipal Light Board ("Board") met in the conference room of the Municipal Light Plant's ("MLP") garage and warehouse, 4 Municipal Way, at 5:30 PM.

PRESENT

Those present included Chairman Paul L. Criswell and Commissioners Owen H. Dugan, Katharine Gibson and Edward J. Stewart, III, MLP Director Richard F. Joyce and staff members Joseph A. Bisol, Trevor P. Criswell, Francisco A. Frias, Debra J. Healy, Suzanne M. Newark, Donald H. Newell and James W. Verner. Also in attendance were Advisory Representative Richard F. Woerner and Minuteman Wind representatives Larry Plitch and Dan Goldman.

Mr. Criswell welcomed Katharine Gibson to the Board replacing Thomas E. Peisch. Mr. Criswell informed the Board and staff that he had served with Ms. Gibson while on the Town's Advisory Committee and was looking forward to working with her as a member of the Municipal Light Board.

APPROVAL OF MINUTES

Upon a motion made by Mr. Stewart and seconded by Mr. Dugan, it was unanimously

VOTED: To approve the June 19, 2012 Public Session Minutes as presented.

CITIZEN SPEAK

Mr. Criswell presented all those in attendance with the opportunity to speak on matters of interest with respect to the MLP. No one in attendance wished to speak.

DIRECTOR'S ITEMS

Savoy Wind. Larry Plitch and Dan Goldman of Minuteman Wind provided the Board with an overview of the progress made in the Savoy Wind project. Two outstanding issues remain to be resolved before construction can begin: wetland appeal to the Massachusetts Department of Environmental Protection; and Western Massachusetts Electric Company's completion of the interconnection study. Mr. Plitch did not foresee any problems with obtaining a favorable resolution to both issues. The Board and Minuteman Wind discussed the construction estimate, financing, letters of interest and the Purchase Power Agreement ("PPA"). Mr. Joyce affirmed the Board's vote of a binding letter of interest for a 10% entitlement in Savoy Wind's projected 12.5 megawatts. The Director also expressed the MLP's preference to negotiate the PPA at the same time, and along with, the other purchasers.

Financial Statements. Accounting Supervisor, Joseph A. Bisol reviewed the May 2012 and year-to-date financial results. Despite a 1.5% decrease in kilowatt-hour ("kWh") sales the MLP's Fiscal Year 2012 ("FY12") profits are projected to exceed 2011 by \$1.4 million. The layered and staggered power supply portfolio has allowed the MLP to take advantage of the decline in wholesale energy prices resulting from lower natural gas prices. Mr. Bisol discussed the cash position and forecast. It appears the MLP's profit from FY12 will be just under \$5 million.

Reliability Results. Fourth quarter reliability results were very favorable compared to both the prior year and five year average. Only eight outages occurred during this quarter compared to 18 and 16 for 2011 and the five year average, respectively. Mr. Frias noted there were no “equipment-related” outages from April to June 2012 indicating the Board’s decision to aggressively fund infrastructure improvements has produced the desired results. Mr. Frias informed the Board that 14,026 customers experienced a power outage in FY12. This compares to 10,692 the previous year. However, when the impact of Tropical Storm Irene and the October snow storm are taken into consideration the MLP’s electric service continues to be highly reliable.

Solar Cost-Benefits. Francisco A. Frias reviewed the payback analysis he prepared for the solar installations on the MLP’s garage and warehouse and at the High School. The total installed cost for the 50 kilowatt (“kW”) garage installation was \$243,400. Of this amount, \$150,000 was offset by a grant the MLP received from the Massachusetts Department of Energy Resources. The MLP has generated approximately \$45,000 of revenue from the sale of Solar Renewable Energy Certificates (“SRECs”). The sale of the SRECs and reduction of transmission, capacity and energy costs from in-Town generation has resulted in a payback of approximately three years. Since the MLP did not receive a grant for the High School’s 34 kW installation and is not receiving the financial benefits of the energy generated, the payback is quite a bit longer. The High School solar installation cost was \$182,400. The sale of the SRECs along with the capacity and transmission offsets are projected to produce a payback of nine years. Mr. Stewart asked if the SREC revenue was guaranteed in the future. Mr. Joyce was of the opinion that the SREC supply would far exceed the demand in the future resulting in a reduction of revenue. Ms. Gibson asked if the forecasted kWh output was realized from both projects. Mr. Frias stated that despite a lot of snow during the winter of 2010 – 2011 the garage solar panel production was very close to projections. The High School output has also met expectations.

Mr. Joyce pointed out the location in the MLP’s parking lot where the 2.4 kW solar panels from the old High School were installed. The energy is used at the substation and Mr. Frias has plans to sell these SRECs.

National Grid Litigation. The Director informed the Board that the MLP had settled its damage claim with National Grid. On January 29, 2011 National Grid crews excavated into the MLP’s duct bank creating a cable fault on the supply line at Route 9 and Emerson Road.

Mr. Joyce stated that National Grid dug into another duct bank on June 21, 2012 on Worcester Street damaging both the duct bank and house service. This is the fifth time in three years National Grid crews or their contractors have dug into MLP duct banks that were properly marked-out. Mr. Newell is attempting to work with National Grid to minimize the repair costs.

Wellesley College Off Peak Energy. Wellesley College’s Assistant Director of Infrastructure, Max Greig, has been proactive working with the MLP on the purchase of off peak energy. During Fiscal Year 2013 Wellesley College expects to purchase one MW of energy during all off peak hours.

Distributed Antenna System (“DAS”) Outreach. The MLP completed its initial outreach to the public with respect to the expansion of pole-mounted, antennas. The MLP’s outreach included the following communications:

- Wellesley Patch;
- The Swellesley Report;

- Community television channel;
- The Wellesley Townsman:
 - two advertisements;
 - letter to the editor; and
- Two public meetings.

In total 70 residents provided feedback with all but one supporting the DAS installation. Based on the feedback received the staff recommended the issuance of a Request For Proposal ("RFP"). The RFP should establish the priorities in order of importance: 1) Town-wide cellular coverage; 2) maximize revenues/profits; 3) canister aesthetics; and 4) minimize number of DAS locations. The Board and Director reviewed the priorities and everyone was in agreement all Town residents and businesses should be provided with the opportunity to have cellular telephone coverage as the number one priority.

Mr. Joyce reviewed the draft RFP. The selection of a DAS provider will be a two-step process. The first step is to issue a RFP and evaluate all responses. Once all responses have been received and evaluated, the MLP will select three finalists for detailed presentations. Based on the preliminary timeline the staff would present a recommendation to award the DAS contract to the Board in mid-November. The Board discussed the importance of selecting a DAS provider that has a strong relationship with all major cellular telephone carriers. Mr. Stewart asked if the MLP could begin installing the fiber backbone prior to finalizing a DAS contract. Mr. Joyce thought this would be possible. All Board Members were in agreement with the issuance of the RFP as outlined.

T-Mobile Profit. The Director summarized the revenues and expenses associated with the T-Mobile pilot DAS installation. On a cash basis the MLP has realized a profit of \$90,000 since the first five DAS antennas were installed in March 2007. The Board approved the T-Mobile antennas with the stipulation that all profits from this installation be used to support the MLP's energy conservation efforts. Mr. Joyce outlined some of the major energy conservation expenditures the MLP incurred since 2007. All Board Members were in agreement that T-Mobile profits were allocated for the intended purpose.

Sustainable Energy Committee ("SEC"). The SEC made progress during FY12 in its goal to reduce the Town's carbon footprint by 10%. The SEC's major initiative this past year was the expansion of the voluntary renewable energy program. At the end of FY12 there were more than 1,000 Wellesley residents and businesses enrolled in the renewable energy program. Renewable energy usage increased from 2,000,000 kWh's to almost 10,000,000 kWh's. Participation in this program alone has reduced the Town's carbon emissions from electricity consumption by more than 4%. Many of the large electricity users including Babson College; Wellesley College, Sun Life Financial and Mass Bay Community College have enrolled in this program. As a result of this participation the Town of Wellesley has become the second-community in New England and the first in Massachusetts to receive the Environmental Protection Agency's "Green Power Community" designation.

Several organizational changes have been made to the SEC. Barbara D. Searle, Steven Tolley and Jessica H. Langerman are new members of the committee. In addition, the SEC coordinator will report to the Chair of the SEC.

FY12 Director Objectives. The MLP completed 11 of the 12 Objectives this year. The only Objective not completed was the building addition. All of the FY12 Objectives were important

but the staff was most pleased with increasing its streak of 536 days without a Lost Time Accident. Other important Objectives were the expansion of external businesses; DAS outreach and solar panel installation on the new High School.

Next Meeting. The Board tentatively scheduled the next meeting for Wednesday, September 12, 2012 at 5:30 PM.

ADJOURNMENT

The Board Meeting adjourned at 7:06 PM.

Respectfully submitted,

Owen H. Dugan, Secretary